

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

Joshua A. Walls,)	
)	
Plaintiff,)	
)	
v.)	No. 12 C 839
)	
Credit Management Control, Inc., a)	
Wisconsin corporation, and Pendrick)	
Capital Partners, LLC, a Delaware)	
limited liability company,)	
)	
Defendants.)	<u>Jury Demanded</u>

COMPLAINT

Plaintiff, Joshua A. Walls, brings this action under the Fair Debt Collection Practices Act, 15 U.S.C. § 1692, et seq. ("FDCPA"), for a finding that Defendants' debt collection actions violated the FDCPA, and to recover damages for Defendants' violations of the FDCPA, and alleges:

JURISDICTION AND VENUE

1. This Court has jurisdiction pursuant to § 1692k(d) of the FDCPA, and 28 U.S.C. § 1331.
2. Venue is proper in this District because: a) the acts and transactions occurred here; b) Plaintiff resides here; and, c) Defendants transacts business here.

PARTIES

3. Plaintiff, Joshua A. Walls ("Walls"), is a citizen of the State of Illinois, residing in the Northern District of Illinois, from whom Defendant attempted to collect a delinquent consumer debt allegedly owed for medical services.

4. Defendant, Credit Management Control, Inc. ("CMC"), is a Wisconsin corporation that acts as a debt collector, as defined by § 1692a of the FDCPA, because it regularly uses the mails and/or the telephone to collect, or attempt to collect, delinquent consumer debts, including delinquent consumer debts in the Northern District of Illinois. In fact, CMC was acting as a debt collector as to the delinquent consumer debt it attempted to collect from Plaintiff.

5. Defendant CMC is authorized to conduct business in Illinois and maintains a registered agent here, see, record from the Illinois Secretary of State, attached as Exhibit A. In fact, CMC conducts business in Illinois.

6. Moreover, Defendant CMC is licensed as a collection agency in Illinois, see, record from the Illinois Division of Professional Regulation, attached as Exhibit B. In fact, CMC acts as a collection agency in Illinois.

7. Defendant, Pendrick Capital, LLC ("Pendrick"), is a Delaware limited liability company that acts as a debt collector, as defined by § 1692a of the FDCPA, because it regularly uses the mails and/or the telephone to collect, or attempt to collect, directly or indirectly, delinquent consumer debts, including delinquent consumer debts in the Northern District of Illinois. In fact, Pendrick was acting as a debt collector as to the delinquent consumer debt it attempted to collect from Plaintiff.

8. Defendant Pendrick is a debt scavenger that specializes in buying large portfolios of defaulted consumer debts for pennies on the dollar, the full amount of which debts it then tries to collect through other debt collectors, like Defendant CMC.

9. Although it conducts business in Illinois, Defendant Pendrick is not authorized to do so, see, record from the Illinois Secretary of State, attached as Exhibit

C.

10. Moreover, although Defendant Pendrick acts as a collection agency in Illinois, it is not licensed to do so, see, record from the Illinois Division of Professional Regulation, attached as Exhibit D.

FACTUAL ALLEGATIONS

11. On July 7, 2011, Mr. Walls filed a Chapter 7 bankruptcy petition in a matter styled In re: Walls, N.D. Ill. Bankr. No. 11-28077. Among the debts listed on Schedule E of Mr. Walls' bankruptcy petition were debts he allegedly owed to Prairie Emergency Services for medical services, see, excerpt of bankruptcy petition attached as Exhibit E.

12. On July 10, 2011, Prairie Emergency Services was sent, via U.S. Mail, notice of the bankruptcy by the court, see, the Certificate of Service to the Notice of Chapter 7 Bankruptcy Case, Meeting of Creditors and Deadlines, which is attached as Exhibit F.

13. Moreover, October 11, 2011, Mr. Walls received a discharge from the Bankruptcy Court as to his debts, including the debts he owed to Prairie Emergency Services, and on October 13, 2010, it was sent, via U.S. Mail, notice of the discharge by the court, see, the Certificate of Service to the Discharge of Joint Debtors, which is attached as Exhibit G.

14. Undeterred, Defendant Pendrick allegedly bought Mr. Walls' delinquent/discharged Prairie Emergency Services debts and had Defendant CMC send Mr. Walls an initial collection letter, dated January 19, 2012, demanding payment of one of these his debts. A copy of this collection letter is attached as Exhibit H.

15. Defendant Pendrick was required by the Illinois Collection Agency Act, 225 ILCS § 425/1, et seq., to be licensed as a collection agency to buy Mr. Walls' Prairie Emergency Services debts and to try and collect those debts; however, Defendant Pendrick was not licensed as a collection agency by the Illinois Division of Professional Regulation; see, LVNV Funding, LLC v. Trice, 952 N.E. 2d 1232, 352 Ill. Dec. 6 (Ill.App.Ct. 1st Dist. 3rd Div. 2011).

16. All of Defendants' collection actions at issue in this matter occurred within one year of the date of this Complaint.

17. Defendants' collection communications are to be interpreted under the "unsophisticated consumer" standard. See, Gammon v. GC Services, Ltd. Partnership, 27 F.3d 1254, 1257 (7th Cir. 1994).

COUNT I
Violations Of § 1692e Of The FDCPA --
Numerous False Collection Actions

18. Plaintiff adopts and realleges ¶¶ 1-17.

19. Section 1692e of the FDCPA prohibits a debt collector from using any false and/or any deceptive or misleading representation or means in connection with the collection of a debt, including, but not limited to, the false representation of the character, amount or legal status of any debt, see 15 U.S.C. § 1692e(2)(A). Moreover, debt collectors are barred from threatening any action that the collector cannot legally take, see, 15 U.S.C. § 1692e(5).

20. Demanding payment of a debt that is no longer owed, due to a bankruptcy, is false and/or deceptive or misleading, in violation of § 1692e of the FDCPA. Randolph v. IMBS, Inc., 368 F3d 726, 728-730 (7th Cir. 2004).

21. Additionally, Defendant Pendrick's buying and attempting to collect upon defaulted consumer debts in Illinois, when it was unlicensed and had no right to do so, and Defendant CMC's assistance of Pendrick in its illegal collection actions, violated § 1692e(5) of the FDCPA.

22. Defendants' violations of § 1692e of the FDCPA render it liable for actual and statutory damages, costs, and reasonable attorneys' fees. See, 15 U.S.C. § 1692k.

COUNT II
Violations Of § 1692f Of The FDCPA --
Use of Unfair or Unconscionable Collection Means

23. Plaintiff adopts and realleges ¶¶ 1-17.

24. Section 1692f of the FDCPA prohibits a debt collector from using any unfair or unconscionable means to collect or attempt to collect a debt, see, 15 U.S.C. § 1692f(1).

25. Defendant Pendrick's buying and attempting to collect upon, defaulted consumer debts in Illinois, when it was unlicensed and had no right to do so, and Defendant CMC's assistance of Pendrick in its illegal collection actions, was an unfair or unconscionable means to collect a debt, in violation of § 1692f of the FDCPA.

26. Defendants' violations of § 1692e of the FDCPA render it liable for actual and statutory damages, costs, and reasonable attorneys' fees. See, 15 U.S.C. § 1692k.

PRAYER FOR RELIEF

Plaintiff, Joshua A. Walls, prays that this Court:

1. Find that Defendants' debt collection actions violated the FDCPA;
2. Enter judgment in favor of Plaintiff Walls, and against Defendants, for actual and statutory damages, costs, and reasonable attorneys' fees as provided by

§1692k(a) of the FDCPA; and,

3. Grant such further relief as deemed just.

JURY DEMAND

Plaintiff, Joshua A. Walls, demands trial by jury.

Joshua A. Walls,

By: /s/ David J. Philipps
One of Plaintiff's Attorneys

Dated: February 6, 2012

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